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20 MAY 1968

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT : More Liberal Use of the CIA Retirement System to Accelerate Retirement of Senior Officers

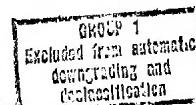
1. The CIA Retirement System was devised as a manpower control device. Its need was established on the premise that the Agency cannot offer full careers to all employees whose career specialization has been predominantly involved in the support or conduct of intelligence activities abroad and that it will be in the best interests of the Government to permit or require some of these employees to retire as early as age 50. The major inducement for early retirement or, alternatively, compensation for directed early retirement, is a straight 2% per year of service annuity computation multiplier. This multiplier is 3.75% greater than that of the Civil Service Retirement System for any employee with more than 10 years of service.

2. The legislative history, the statute itself, and the implementing regulations clearly indicate that the benefits provided were principally intended for employees whose career fields required them to perform substantial periods of qualifying service overseas in the "conduct or support

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3. In addition, however, specific provisions were made in the regulations to give credit toward the minimum required amount of "qualifying service" for periods of service in the U.S. involving demonstrable hazard to life or health or which required the continuing practice of most stringent security and covert tradecraft procedures to maintain personal cover.

4. A third concept of qualifying service was carefully and intentionally incorporated in the regulations to permit the participation of those who may circumstantially never perform the requisite 60 months of service described above but who nevertheless were willing and committed to perform such service and were trained and experienced in clandestine activities.



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5. This third type of qualifying service is described in paragraph [REDACTED] It is based upon an evaluation of the nature of an individual's career rather than calendar periods of service under unhealthful, hazardous, or stressful conditions and the difficulty the individual would have in adapting his career training and experience to normal forms of employment.

6. As indicated above, this provision was intended to permit the Director to extend the benefits of the CIA Retirement System to individual employees who meet the general requirements for eligibility but cannot meet the specific periods of service requirements.

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7. There are [REDACTED] of CIA employees who can meet both the basic requirements of eligibility for the CIA Retirement System and also the generally described standards of "qualifying service" contained in paragraph b.11(c). Many of them have, indeed, performed the specific types of duties clearly identified as qualifying service but may have done so prior to September 1947, the initial date for crediting such service. Many others have simply not been called upon to do so for sufficient periods of time because their services were better utilized in command, staff, or line activities at Headquarters, deeply involved in the support or conduct of clandestine activities.

8. The matter of general eligibility of these employees is academic until or unless these employees are actually faced with the prospect of leaving the Agency and seeking other employment. At this point in time the Director has the authority to make a retroactive evaluation that the individual is eligible for the CIA Retirement System and has performed the requisite 60 months of qualifying service. The judgement of the Director is also required that the individual will, indeed, be at a distinct disadvantage in marketing his skills and knowledge to a prospective employer. This provision has been used very sparingly and only in cases where it was determined that early retirement was mutually advantageous to both the individual and the Agency.

9. It is believed that during the next five or so years, it will be extremely advantageous to the Agency if a substantial number of basically eligible employees could be induced to retire early by extending them the benefits of the CIA Retirement System. There are a number of older employees in the Clandestine Services and other Career Services whose careers have been intimately concerned with clandestine activities and who have been willing and, indeed, committed to serve wherever the needs of the

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Agency required, but who for various reasons have not been called upon to serve 60 months overseas, clandestinely or hazardously. On an individual case basis, many of these employees are relatively surplus to the foreseeable needs of the Agency. Collectively, in view of our pending retirement hump which assumes dangerous portions commencing in 1972, they are blocking training and advancement opportunities for the succession that will be required in a few years. In sum, there is a compelling need to accelerate a goodly number of retirements for the very reasons that the CIA Retirement System was established.

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10. The greatest need (and the greatest benefit to the Agency) is in the group of relatively senior employees - grades GS-15 and upward.

[REDACTED]

opportunities are created for the advancement and development of their juniors. Moreover, the retirement hump in the 1970's would be leveled off and thereby provide continuity and more dynamic leadership in key positions during the high retirement period.

11. My specific proposal is that the Director approve in principle a program to offer to generally eligible employees and on an individually selected basis the benefits of the CIA Retirement System provided they will agree to retire at least two years before attaining age 60 and the Head of the Career Service and the Deputy Director concerned endorses such early retirement as being in the best interests of the Agency.

12. I believe that a substantial number of eligible officers will be pleased to retire early on this basis. The 4% additional multiplier that would be lost by retiring two years early would be largely offset by the 3.75% better multiplier of the CIA Retirement System.

13. In making this proposal, I urge that it be handled in such a way that no measure of stigma be placed upon the individual - rather that the [REDACTED] his past participation and contribution to [REDACTED] a benefit which can only be granted to him [REDACTED] b.11(c) in contemplation of early retire-

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/s/ Emmett D. Echols

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